

11 September 1957

Memorandum For: Senior Research Staff on International Communism (SRS/DDI)

Attention: [REDACTED] 206 Central Building 25X1A9a

Through: Assistant Director for Research and Reports

Subject: Information on Living Standards in the European Satellites

25X1A9a

1. In accordance with my telephone conversation of 10 September with [REDACTED] of SRS/DDI, I'm forwarding some immediately available information on living standards in the European Satellites. As I suggested to [REDACTED] an important starting point is the information on food availability which I understand is being supplied by [REDACTED] of M/Ag. There are no immediately available aggregative consumption figures which can be used to make comparisons of total consumption per capita in the Satellites.

25X1A9a

25X1A9a

2. In the following information on housing, the Satellites are ranked below from best to worst, in order of the absolute condition of housing, and then in order of the seriousness (from least to most serious) with which the problem is regarded by the population in each country; people with traditionally low standards of housing will not react so strongly against a given absolute level of housing as people with traditionally high standards. In general, housing is subordinated to the needs of industrialization not only in the priority for resources but also in the location of new housing, e.g., a city making heavy industrial equipment, other things being equal, will receive more housing than a city making textiles:

| <u>Satellite</u> | <u>Absolute Rank</u> | <u>Rank in "Seriousness"*</u> | <u>Comments</u>                                                                                                                                                                                                              |
|------------------|----------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Czechoslovakia   | 1                    | 2                             | Best housed; slow worsening as building and repair are insufficient to offset new needs caused by population growth and urbanization; increased grumbling over housing as other aspects of living conditions slowly improve. |
| East Germany     | 2                    | 4                             | Gradual deterioration since 1950 because of marked insufficiency of maintenance and repair.                                                                                                                                  |
| Hungary          | 3                    | 5                             | Rate of deterioration more rapid than in Czechoslovakia, with revolution of 1956 widening gap between needs and rate of construction.                                                                                        |

~~CONFIDENTIAL~~

- 2 -

|          |   |   |                                                                                                                                       |
|----------|---|---|---------------------------------------------------------------------------------------------------------------------------------------|
| Poland   | 4 | 6 | Worst problem in terms of number of people involved and adverse effects on productivity of urban population.                          |
| Bulgaria | 5 | 1 | Low absolute standards but housing conditions in rural areas appear to have been bettered in last few years.                          |
| Romania  | 6 | 3 | Urban population small and traditional standards of housing notably low; usual subordination of housing to industrialization program. |

\* Ranking is from least serious (Bulgaria) to most serious (Poland).

3. The following information on per capita production in 1956 of 4 consumer durables is only a rough gage of comparative standards of consumption since the major producing countries are important exporters of these goods:

1956 Output of 4 Consumer Durables Per Thousand Population

| Item            | Czechos | E Ger | Hung | Pol  | Bulg | Rom |
|-----------------|---------|-------|------|------|------|-----|
| Sewing machines | 6.3     | 11.4  | 3.9  | 2.7  | NA   | NA  |
| Bicycles        | 25.1    | 48.2  | 19.6 | 6.5  | neg  | NA  |
| Radio receivers | 30.3    | 55.3  | 40.6 | 16.5 | 12.1 | 6.0 |
| TV receivers    | 3.9     | 5.0   | 0.6  | 0.1  | 0    | 0   |

4. The following information is on per capita production in 1956 of important non-food consumer goods. These figures are only a rough gage of domestic availability because in some cases, e.g., Czechoslovakian shoes, a large percent of production is exported:

| Item             | Unit | Czechos | E Ger | Hung | Pol  | Bulg | Rom  |
|------------------|------|---------|-------|------|------|------|------|
| Total footwear   | pr   | 4.6     | 2.2   | 1.2  | 1.5  | 0.5  | 1.1  |
| Leather footwear | pr   | 1.7     | 0.9   | 1.1  | 1.0  | 0.2  | 0.9  |
| Cotton fabric    | mtr  | 26.4    | 22.5  | 26.2 | 20.0 | 18.6 | 20.6 |
| Wool fabric      | mtr  | 2.8     | 6.0   | 1.4  | 2.7  | 1.7  | 1.2  |

5. Conclusions as to comparative over-all living conditions in the Satellites are hazardous, and the following remarks are my own tentative conclusions not to be attributed to ONR. With respect to over-all living conditions the Satellites may be divided into 3 pairs: (a) Czechoslovakia and East Germany, relatively the best off, with prouder traditions of industrialization and living standards comparable to those of Western Europe; the chronically unsatisfactory food situation in East Germany gives Czechoslovakia the nod comparing the two; (b) Poland and Hungary, a decided cut below Czechoslovakia and East Germany, specifically with respect to

~~CONFIDENTIAL~~

- 3 -

housing and the production and consumption of non-food consumer goods; in both countries the continued failure of the government to allocate sufficient resources to raise levels of consumption above a full subsistence level has led to serious disaffection on the part of the workers, with resulting lowering of work discipline and effort; (c) Rumania and Bulgaria, a decided cut below Poland and Hungary, with fewer prewar traditions of industrialization and "Western"-type living standards; both countries depend more heavily on agriculture than the others, and both must import manufactured consumer goods from the others.

25X1A9a

  
Chief, Consumer Industries Branch  
Industrial Division, ORR

Distribution:

Orig. and 1 - Addressee  
1 - D/I  
1 - Ch/E  
1 - AD/RR  
1 - I/CI